

THE LAW OFFICES OF  
**LORITZ & ASSOCIATES**  
ORLAND STATE BANK BUILDING • 9533 WEST 143RD STREET  
ORLAND PARK, ILLINOIS 60462  
708-403-2555

RICHARD F. LORITZ  
RICHARD E. NAWRACAJ

RECORDATION NO. 18760  
FILED 1425

APR 4 1994 - 3 10 PM

INTERSTATE COMMERCE COMMISSION

Of Counsel

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March 30, 1994

0100170040

Office of the Secretary  
Interstate Commerce Commission  
Twelfth & Constitution Ave., N.W.  
Room 2303  
Washington, D.C. 20423

Attention: Ms. Mildred R. Lee

RE: Agreement and Conditional Sales Contract  
National Railway Equipment Company, Seller  
Morrison-Knudsen Corporation, Purchaser

LICENSING BRANCH

APR 4 3 04 PM '94

RECEIVED  
OFFICE OF THE  
SECRETARY

Dear Sir/Madam:

I have enclosed two copies of the document described below to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is an Agreement and Sales Contract and also forms a bailment and is a primary document dated November 30, 1993. The names and addresses of the parties to the documents are as follows:

**Seller**

National Railway Equipment Company  
An Illinois Corporation  
14400 S. Robey Street  
P.O. Box 2270  
Dixmoor, IL 60426

**Purchaser**

Morrison-Knudsen Corporation  
Morrison-Knudsen Plaza  
P.O. Box 73  
Boise, ID 83729

Office of the Secretary  
March 30, 1994  
Page 2

A fee of \$18.00 is enclosed. Please return one copy after recordation to Richard F. Loritz, 9533 W. 143rd Street, Orland Park, IL 60462.

A short summary of the document to appear in the index follows:

A contract calling for the bailment of locomotives owned by National Railway Equipment Co. and placed on property owned by Morrison-Knudsen Corporation for the benefit of Morrison-Knudsen Corporation, said bailment to be terminated by payment from Morrison-Knudsen Corporation to National Railway Equipment Co.

Also attached to each document is an Affidavit executed by the attorney in fact for National Railway Equipment Co. and appropriately notarized declaring that the enclosed are identical to the original document.

Very truly yours,

NATIONAL RAILWAY EQUIPMENT CO.  
an Illinois Corporation

BY: 

RICHARD F. LORITZ

ITS: Attorney and Agent in Fact

RFL/sjg

Enclosures

**Interstate Commerce Commission**  
Washington, D.C. 20423

4/18/94

OFFICE OF THE SECRETARY

Richard F. Loritz  
Loritz & Associates  
Orland State Bank Building  
9533 West 143rd Street  
Orland Park Illinois 60462  
Sir:

The enclosed document(s) was recorded pursuant to the provisions  
of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303,

on 4/4/94 at 3:10pm, and assigned  
recording number(s). 18760

Sincerely yours,

Secretary  
SIDNEY L. STRICKLAND, JR.

Enclosure(s)

**AGREEMENT IN PRINCIPAL  
BETWEEN  
MORRISON KNUDSEN LOCOMOTIVE DIVISION  
AND  
NATIONAL RAILWAY COMPANY**

RECORDATION NO. **18760** FILED 142  
APR 4 1994 -3 10 PM  
INTERSTATE COMMERCE COMMISSION

**PURCHASE OF LOCOMOTIVE CORES AND MATERIAL:**

The following is a summation of the agreements made on November 30, 1993 by National Railway Company and Morrison-Knudsen Company.

This document shall serve as a binding contract between Morrison-Knudsen Company and National Railway on this date, November 30, 1993.

ITEM	QUANTITY	TYPE	CONDITION	AMOUNT	EXT AMT
1	12	SD45	Running Condition on CNW *3 units are not Dynamic Brake equipped *Available from CNW by 1/1/94. *Includes qualification, rework and load test (Q, R, LT) as required, to be performed by National Railway or CNW. *92 day inspection required, if inspection is due within 30 days. *Must be accepted by Southern Pacific no later than January 31, 1994. *Located on CNW system. *See Attachment 'A' *See Liquidated Damages note below. *National Rail will make every attempt to minimize freight.	90,000	1,080,000
2	56  119827 839  6520- 6491- 8531 8528	SD45  6470 6496 6510 6520 6435 6689	Bad Order, Missing some Traction Motors, Miscellaneous Components. *Will be reassembled complete by National Rail including Q, R, LT. *Must be accepted by Southern Pacific no later than January 31, 1994. *Located at SILVIS. <del>*Specific road numbers are forthcoming.</del> <del>*See Liquidated Damages Note below.</del>	90,000	450,000 540,000

3-GP 40 155,000  
119840

3	11	SD45	Stored serviceable, complete units. *5 are Dynamic Brake equipped *6 are not Dynamic Brake equipped. *Dynamic Brake Hatches and Controllers shall be furnished for the 6 units at no additional cost. *Located in Iowa. *See attachment 'A'	80,000	880,000
4	17	SD45	Stored unserviceable, bad turbos on 10 and miscellaneous work needed to be completed on all. *See Attachment 'B' *16 are Dynamic Brake equipped *1 unit is not equipped with Dynamic Brakes *Located in Iowa	80,000	1,360,000
5	3 119834	SD45 3118 9085 9130	Missing AR10's and Traction Motors *All Dynamic Brake equipped. *Located at SILVIS *Road numbers are forthcoming	40,000	120,000
6	5 119835	SD45 3136 9074 6492 9020 9058	Missing Traction Motors *All Dynamic Brake equipped *Located at SILVIS	65,000	325,000
7	4 <i>change ORDER</i> 119834 836	SD45 6491 6659 1770 6550	Complete, One had Electrical Damage in HVC. <del>for Dismantle</del> *Located at SILVIS *All Dynamic Brake equipped	75,000	300,000
8	4 119835 837	SD40 3008 3008 3006 3027	Complete Less D.B. Hatch and Controller (will be included by National Rail prior to shipping to Morrison- Knudsen) *Located at SILVIS	95,000	380,000
9	5 119836 838	SD40 3009 3028 3059 3078 3092	Incomplete/Missing AR10's and Traction Motors (hatch and controller will be included) *Located at SILVIS	65,000	325,000
10	5		16 Cylinder Light Block Engines *Missing Turbo's, Aftercooler Ducts and Manifolds. *Located at SILVIS	0	0

11	18 119829	SD40 OK	In Service on SP Lines <del>*National Rail will forward SP Lease Agreement to Morrison-Knudsen Company.</del> *3 units are SD45M, modified with 16-645E3 engine.	165,000	2,970,000
12	1 119830	SD40-2 OK	In Service on SP Lines <del>*National Rail will forward SP Lease Agreement to Morrison-Knudsen Company.</del> *Rebuilt M10 1991	375,000	375,000
13	1 119831	SD40-2 OK	In Service on SP Lines <del>*National Rail will forward SP Lease Agreement to Morrison-Knudsen Company.</del> *Was an SD45-2, modified with a 16 cylinder engine which was fully qualified.	300,000	300,000
14	3 119832		GP9 Frames with Trucks (less traction motors)	12,000	36,000
15			Trade Arrangement: Morrison-Knudsen Company shall trade 2 each SW1500 Switcher Cores, with trucks (in AS IS CONDITION) for 2 each GP9 Frames and Trucks, less traction motors *Morrison-Knudsen Company pays freight for GP9 Frames to Boise. *National Rail pays freight for SW1500's to National Rail.	0	0
	55		TOTAL		8,901,000

OTHER:

Storage:

Morrison-Knudsen Company shall store locomotives for National Rail at Morrison-Knudsen Company locations until final purchase and end use is established after January 1, 1994.

Payment:

Morrison-Knudsen Company shall pay for all units placed on Morrison-Knudsen Company property prior to January 1, 1994 and no later than January 10, 1994. Remainder of locomotives will be paid for within 30 days after receipt.

Liquid Damages:

National Rail shall assess CNW's commitment to National Rail, regarding release date and blue card status of locomotives prior to acceptance of Morrison-Knudsen Company's liquidated damages.

Freight:

Unless otherwise noted, Morrison-Knudsen Company shall incur freight costs.

Purchase Orders will be issued to National Railway within 14 days of this agreement.

Agreement is hereby made by:

Ron Juhnke 11/30/93

Ron Juhnke  
Purchasing Manager  
Morrison-Knudsen Company  
Locomotive Division

Lawrence Beal 11/30/93


Lawrence Beal  
President  
National Railway Equipment Company

**AFFIDAVIT**

STATE OF ILLINOIS     )  
                                  ) SS  
COUNTY OF COOK     )

The undersigned states that he has read the attached document and that the document attached is identical to the complete and original Agreement and Sales Contract.

This Affidavit is made pursuant to the procedures in Section 117.3(2)(b) relative to the recordation of documents with the Interstate Commerce Commission.

  
AFFIANT

Subscribed and Sworn to  
before me this 30<sup>th</sup> day  
of March, 1994.

  
NOTARY PUBLIC

